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Would consumers favour equivalency and harmonization of organic standards in Germany?

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Abbreviations

EFTA	European Fair Trade Association
EEC	European Community Certificate
EU	European Union
FAO	Food and Agriculture Organization
FLO	Fair Trade Labelling Organisation
IFOAM	International Federation of Organic Agriculture Movements
IFAT	International Fair Trade Association
ISOE	Institute for Social-Ecological Research
NOP	National Organic Program
OGS	Organic Guarantee System
US	United States
UNCTAD	United Nations Conference on Trade and Development
USDA	US Department of Agriculture
JAS	Japanese Agricultural Standards

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1 Introduction

The organic market is confronted with two international standards for organic agriculture, many governmental regulations and hundreds of private sector standards. Mutual recognition and equivalency among these systems is limited. On the one hand, this multitude of certification requirements and regulations is creating problems for the producers (especially from developing countries), who either have high cost to obtain multiple certifications or have no access to certain markets. However, on the other hand, we have the consumers, who have different motives to buy organic food products. From this point of view, it might be reasonable to have diverse and colourful organic label systems, which express different values and are ruled by different standards.

This paper examines how the different organic certification standards in Germany and the EU developed. It gives a brought overview of the existing diverse legal requirements and private standards. Additionally, it looks at the consumer motives and barriers to buy organic food and considers different consumer types and segments with regard to organic food in Germany. Finally it discusses possible implications for marketing of organic products.

2 The development of organic farming in Germany and Europe

In Europe, organic agriculture originated on the basis of local farmers' knowledge and experience and organic agriculture policies have developed from the bottom-up. In the 1920s and 1930s farmers' group led by the pioneers Rudolf Steiner and Hans Müller prepared the ground for the organic farming movement and in the 1970s organic farmers organized themselves step by step in associations in many places throughout the world. They started stetting their own **private standards,** which were binding for the members of the organic farmers' associations and controlled directly by the standard-setting associations (VOGL et al. 2005, p 9). Until the beginning of the 1900s organic agriculture was based completely on these private standards that documented the trade practices. Organic farmers defined what organic agriculture was in a democratic process. Private standards were originally laid out on the basis of common sense about organic agriculture.

Parallel to the growing market in the 1990s, organic farming became an issue of public decision. Justified expectations are protected in most legal systems by laws against fraudulent trade practices. This is the main objective of **government regulations** on organic agriculture (Vogl et al. 2005, p.10). In 1991 the first public regulation, the Council Regulation 2092/91 in Europe, was set into force and remained till today a model for many governmental regulations (KOTSCHI 2005, p. 27). In 2000, the Us Organic Food Production Act 1990 and, in 2001, the Japan Agricultural Standards for Organic Agriculture Products and Their Processed Foods were set into force. Consequently, policy and science have only been a reactive movement that in some cases have helped to create favourable structures. One of these structures has been standards set by governments. To date 60 countries have governmental regulations on organic farming or are in the process of adopting them (Yussefi and Willer 2003 cited in VOGL et al. 2005, p. 9).

3 Overview of different Organic Standards/Regulations in Germany

There is at present no regulation on organic products applicable world-wide and a confusing number of organic standards make orientation of organic operators, especially in developing countries, quite difficult. The main organic standard types, which are also influencing the German market, can be summarised as follows:

3.1 International private and intergovernmental framework standards

International private (IFOAM Organic Guarantee System) and **intergovernmental** (Codex Alimentarius) framework standards aim to harmonise different certification programmes by providing a uniform agenda for organic standards world-wide. They cannot be used directly as a basis for certification and are as such for organic operators not directly applicable. However they may be helpful to understand the underlying principles and issues in all organic certification programmes world-wide.

The **IFOAM Organic Guarantee System** assures organic integrity internationally on private basis. The Organic Guarantee System (OGS) tries to unite the organic world through a common system of standards, verification, and market identity. It fosters equivalence among participating certifiers, paving the way for more orderly and reliable trade. The IFOAM Organic Guarantee System enables organic certifiers to become "IFOAM Accredited" and for their certified operators to label products with the IFOAM Seal next to the logo of their IFOAM accredited certifier. Accreditation is based on the certifier's compliance with IFOAM norms. The other pillar of the IFOAM Organic Guarantee System are national or regional certification standards approved by IFOAM as being compliant with the IFOAM Basic Standards. Together all approved regional or national certification standards constitute the IFOAM Family of Standards. The acceptance of national or regional certification standards facilitates the accreditation of certifiers considerably.

The **Codex Alimentarius** is a joint enterprise of both the World Health Organization and the Food and Agriculture Organization that seeks to document a common global understanding of what is appropriate in food labelling and other aspects of food production. The Codex Alimentarius Commission has stated that its food standards must be based on objective analysis and scientific evidence, after an examination of all relevant data, to ensure that standards guarantee the quality and safety of food supplies. Codex Alimentarius is also required to take account of, where applicable, other legitimate factors of importance in protecting the health of the consumer and promoting fair trade (VOGL et al. 2005, p. 16).

3.2 Governmental standards

The EU Regulation (EEC) N° 2092/91, the American USDA National Organic Program (NOP) and the Japanese JAS standards are the most important regulations worldwide. They all regulate big organic markets.

The **EU Regulation (ECC) N° 2092/91** is statutory law and it is directly applicable in all Member States of the European Union, including Germany. It was published in 1991 and came into force in 1992 The EU Regulation applies to non-processed crop and animal products (incl. honey, but no fishery products), processed agricultural products intended for human consumption and to animal feed and regulates organic food certification and labelling in the European Union. The present version of the regulation is a rather impressive document of 95 pages regulatory text. The main part of the regulation outlines the rules for labelling of organic produce, the production standards and the necessary inspection measures. The regulation also defines two different possibilities for import of organic food produce originating from non-EU member countries.

The rules for labelling of organic produce define clearly that products may only refer to organic production methods if they are produced in accordance with the production rules and certified according to the inspection rules as laid down in this Regulation. Also included in the labelling rules are all requirements concerning the composition of a processed organic product. Briefly summarised, processed organic produce have to contain at least 95% organic ingredients to be labelled as organic produce (with various restrictions concerning all other ingredients or auxiliaries/additives) or at least 70% organic ingredients in order to indicate the organic quality of certain ingredients on the ingredient statement. Products containing less than 70% organic ingredients may not write any indication or reference to organic production on their label.

The **Eco-label** (in German: Biosiegel) may be used on a voluntary basis. It basically means that the products are produced, manufactured and controlled in accordance with the requirements of the EU Organic Farming Regulation and that at least 95% of the ingredients of agricultural origin come from organic farming. As the Eco-label is based on the EU Organic Farming Regulation, it is fully subject to its inspection provisions. The implementation of the inspections falls within the competence of the *Laender* (homepage BMLV Agriculture).

3.3 *Private Organic Certification Standards*

Private organic certification standards usually existed before the regulatory framework standards came into force (see above). These private standards include all requirements of the underlying regulatory standard and sometimes exceed these regulations in certain aspects.

Bioland is Germany's largest organic farmers' association, founded in 1971 by farmers, which gave themselves organic farming standards. Today they include all aspects of plant and animal production. It even covers specialties like bee-keeping, fresh water fish production and decoration flowers. In addition to agricultural production standards, the Bioland farmers co-operated closely with processors and developed processing standards on the basis of the „Vollwert" nutrition recommendations. All Bioland members and contract partners submit to the Bioland inspection system. The compliance with the Bioland standards is inspected in addition to the legal requirements as stipulated by the EU-regulation 2092/91 on organic agriculture. Since August 2002 Bioland e.V. is accredited from IFOAM as an internationally recognized Certification-System (homepage Bioland).

Naturland, another association for Organic Agriculture, was established in 1982 in Gräfelfing, near Munich, by farmers. It has grown to become one of the most important organisations in the field of organic agriculture in Germany and is offering Naturland certification since many years also to international operators. Naturland standards cover the following activities: Organic agricultural production and processing (incl. livestock, mushrooms, wine, wild products, ornamental plants), organic Aquaculture, organic forest management, organic beekeeping. Only Naturland certified products may be labelled with the Naturland seal, i.e. only products which were produced and handled by operations which are members of Naturland and have been granted Naturland certification (homepage Naturland).

The **Demeter-Bund** is the only farmers´ association of the bio-dynamic agricultural farming method. It was led by the pioneer Rudolf Steiner and founded according his ideas in 1924. There are regional groups distributed over whole Germany.

Apart from this three big production and market actors, there exist following farmers´associations with own standards and regulations in Germany:

- **ANOG** (AG für naturnahen Obst-, Gemüse und Feldfruchtanbau e.V,), founded in 1962, merged in 2002 with Naturland,
- **Biokreis** (Biokreis Obstbayern e.V.), founded in 1979,
- **ECOVIN** (Bundesverband ökologischer Weinbau e.V.) founded in 1985,
- **Ökosiegel** (Ökosiegel e.V), founded in 1988,
- **Gäa** (Vereinigung Ökologischer Landbau e.V), founded in 1989,
- **Biopark** (Biopark e.V.), founded in 1991.

4 Social Standards / Fair Trade

Social standards and production standards differ between the Northern countries and Africa, Asia and Latin America. The effects of the world market structures like distortion of prices and competition are main reasons for unfair producing and trading conditions. The principles of the Fair Trade Organisations are to promote better trading and producing conditions based on partnership, dialogue, transparency and respect. Fair Trade stands for creating better opportunities for economically disadvantaged producers. The organisations encourage transparency and accountability between the producers and trading partners. Fair prices, in context of the local and regional conditions, are paid to the producers. They consider gender equity, safe and healthy working environment and favour better environmental practices.

Fair Trade is a global movement with over a million small-scale producers and workers (IFAT, 2006). The International Fair Trade Association (IFAT) was found in 1989 as a global network for Fair trade organisations. In 1990 the European Fair Trade Association (EFTA) was founded. The Network of European World Shops (news!) cooperates the world shops. The certification system of the Fair Trade labels is organised in the Fair Trade Labelling Organisation (FLO). FLO, IFAT, news! and EFTA coordinate their work and principles in the international umbrella organization FINE.

Social Justice is an integral part of organic agriculture and processing understanding at IFOAM. Recommendations and standards that shall be required by the operators are specified in chapter 8 of the IFOAM basic standards. Relating to social standards, IFOAM members developed the Code of Conduct to improve the trading conditions for all members. The Code of Ethics is described to increase awareness by signing a self commitment to follow ethical principles within the Organic community. The Forum Fair Trade is the operating network in Germany. To enforce allowances towards politics and trade, actors and organisations cooperate in this forum by initiating educational campaigns.

The gepa Fair Handelshaus is Europe's biggest fair trade company (gepa, 2005) and an important link between the producers and consumers in Germany. They sell the products in the world shops, action groups, supermarkets, educational institutions and organic food shops.

The marketing and labelling of fair traded products, educational campaigns of the organisation raise the public awareness of social inequality in the producing sector worldwide. More than 50% of Fair Trade products are even certified organic (IFOAM, 2006). Organic doesn't mean fair traded but the holistic approaches of organic goes along with the principles of fair trade.

5 Equivalency and Harmonization

Farmers produce organic agricultural products all over the world under different conditions. The developed agriculture of the countries is depending on the specific local conditions.

The products are mainly produced for export into the biggest markets for organic products, the European Community, United States and Japan. Each of the importing nation has its system of own standards and regulations. IFOAM mentions that the organic market is confronted with hundreds of private sector standards for organic agriculture (Codex and IFOAM) and a number of accreditation systems. The lack of cooperation and “harmony” is a central problem.

Meanwhile the number of different certification requirements and regulations interfere the continuously growth of the organic market. Bureaucracy leads to difficult access into the organic sector and even to high costs because of the need of multiple certifications from the producer’s perspective. (IFOAM, 2006).

Because of the differences in between the markets and there number of standards and regulations there is a need for an undistorted trade on the organic world market, fair competition on the one hand and transparency within the production conditions as well as meeting the demands of the standards and regulations on the other hand.

To face those problems FAO, IFOAM and UNCTAD initiated an international task force in harmonization and equivalency. They exist of governmental representatives and intergovernmental agencies which communicate between private and governmental institutions (IFOAM, 2006).

5.1 Equivalency

Organic products can be imported into the EU, when equivalent production rules and inspection measures in the 3rd countries are processed. For this, agreements between the two acting nations are set. Each nation agrees that the standards can be considered equivalent to domestic regulatory systems for the purpose of trade without the need of having identical standards. Once the foreign system is declared as equivalent they must be treated as if they were a domestic system in the EC (HARMONIZATION HANDBOOK, 2006).

All governmental regulations of organic farming require equivalency (VOGL et al., 2005). Equivalency allows countries to develop their own organic food production and certification systems. It is also strongly needed, so local knowledge, traditional techniques and specific regional ecological solutions of the countries which are listed on the 3rd countries list can more easily be recognized. SCHMIDT and HACCIUS (1998, p.13) point out that the contents of equivalence is to give effective systems for organic production in countries of origin a fair chance and not to make decisions about their access to the Northern food markets on basis by pure formality.

5.2 Harmonization

Harmonization is a process through which two or more nations adopt a common standard. In trade harmonized standards are treated above of the two nation's national standards.

To enforce a harmonized standard could be difficult in the case that one nation has to make substantial changes in their existing organic system which is again related to more costs and time. It might also cause the loss of a country's sovereign control over their organic standards. WESEEN et al. (2005, p 3) question if a nation than considers to change a more lenient or stricter system. Changing to a more lenient system could lead to a decreased demand of the product at the consumer level by assuming a lower quality.

VOGL et al. (2005, p 20) point out that harmonization is an interesting tool as long as unnecessary bureaucracy and costs can be avoided. Harmonization has to ensure to allow and support the local adapted standards and regulations of the local organic farmers association. The local adapted standards are balanced with the need and production conditions of the farmers.

6 How do end-consumers in Germany deal with the multitude of organic standards and regulations?

People tendencies to buy organically produced foods are related to different aspects and motives. Several studies analyse the reasons, consume behaviour and frequencies, product and label recognition and obstacles on the European organic market. The following chapter is an overview on the consumer section.

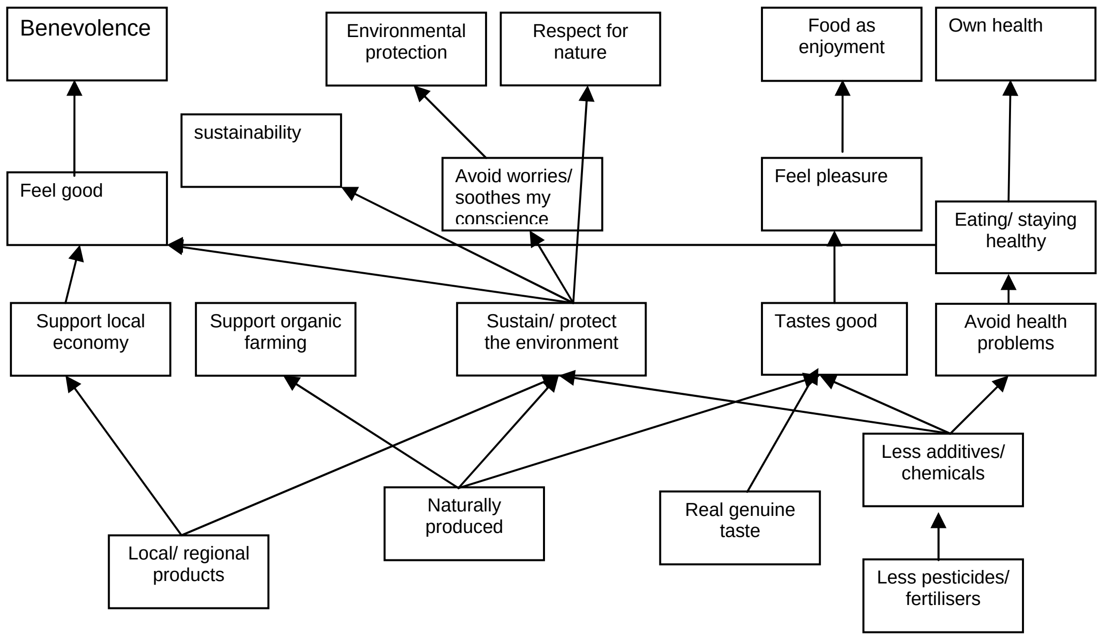
6.1 Consumer’s motives and barriers to buy organic food

The consciousness consumer justifies the decision to buy organic mainly for personal health reasons, animal welfare and the aspect of appropriate husbandry and environmental responsibilities.

According to (SCHMID et al, 2004, p.18) the number one attitude and motive why consumers buy organically produced food is the **health** factor related to personal wellbeing. Fruits and vegetables are regarded to natural and unadulterated as well as unrefined and a basic fresh produce. Being healthier by consuming organic produced fruits and vegetables is justified in the absence of pesticide residues. Food safety is an important aspect in the health motive. SCHMID et al. (2004, p.19) mention the family aspect, maintaining or improving family’s health by eating organic food. In relation to health the consumer is also concerned about animal welfare and environmental issues. Related to the health factor is the premium **quality of organically produced products**. Organic food is seen as an enjoyment when it tastes good and has a good structure and a better nutritional value. Consumers connect a good taste with a satisfied feeling (SCHMID et al., 2004 p.20). The before mentioned motives are related to the motive of **animal welfare** which is known to be the second most important factor to buy organic (SCHMID et al., 2004 p.19). Associations like appropriate animal husbandry, fewer drugs and hormones, free inside and outside range are important aspects to promote buying especially dairy products and meat. McEACHERN and WILLOCK (2004) describe the aspects of meat safety, animal welfare, quality assurance and media topics as consumer’s attitudes for organic meat. Appropriate husbandry leads to good quality milk and meat products, making them not only tastier, but also healthier. **Social aspects** like supporting the local farmers or buying fair traded products are reasons why people decide to consume organic products. **Environmental concern** is another aspect for buying organic food. SCHMID et al. (2004, p.21) underlines the fact that some people want actively sustain and protect the environment with their purchase decision. Environmental protection, sustainability, harmony with and respect for nature as well as responsibility for children and next generations motivates and boosts people’s buying pattern. Their developed consciousness is related to their good feeling by consuming organically produced foods. Environmental issues are related to animal welfare and health aspects. The matter of **trust** in the product emphasizes people to buy organically labelled products. Trust soothes their conscience as they are less concerned. SCHMID et al. (2004, p.21). analysed the inspiring issues why people trust in organic labelled products. The most important aspects in the European countries are transparency, information, clearly defined standards and strict controls.

Consumer motivations vary. The different motives apply to different product categories. The motives why people prefer to buy organic produced fruits and vegetables represent the following figure.

Figure 1: Cognitive structure of motivations for buying organic fruit and vegetables (PADEL and FOSTER, 2005, p 616)



The **price** is the main barrier why people are not willing to buy organic food. The price barrier is due to low household budgets, lack of recognition regarding additional value or satisfaction with lower production standards. **Trust** can also be a barrier to buy organic products. Food scandals, fraud in production and labelling as well as lost idealism of the farmers make people not to purchase organic products. This leads to the fact that people don’t see additional benefits in consuming organic food.

The barrier of **bad appearance** and lack of freshness was also analysed through the consumers. The visual quality and product presentations influence the decision to buy or not. On the other hand consumers argued that when finding fruits with an excellent appearance, they do not believe that those are organically produced. (SCHMID et al., 2004, p.23). The **lack of access and availability** during the day to day shopping behaviour is argued for not buying organic in relation to a more time-consuming aspect. Also lifestyle changes that fewer people are able to spend time and effort on cooking are reasons for not buying organic. Regular consumers criticised the lack of choice of organic product lines. For example considering lifestyle changes and eating habits the market reacted on the offer on

convenience products which increased in the last years. Today the conscious consumer is able to buy finished products in most supermarkets.
There is a wide range of personal preferences and barriers or motives to consume organic, of which only the most important are mentioned here.

6.2 The consumer types/segments and their characteristics

There is no typical organic consumer, however it is possible to differentiate between regular and occasional organic consumers.

Regular organic consumers are in general high involvement food buyers and decide to buy organic food regardless of the household budget system. A big fraction of regular organic consumers purchase organic food in retail shops, but there are also regular buyers who frequent wholesale-stores.

Occasional organic consumers are in general less informed about food and organic food production and often buy "accidentally" organic in wholesale-stores. Some of them only buy certain products or only consume organic food in a certain lifecycle phase. There is an income correlation in this group. Occasional consumers are often low involvement food buyers with limited interest to gather and perceive information. They partly do not know the difference between products labelled as "natural", "integrated" and "organic". Most of them don't know that there are defined European organic standards and how such products can be identified (ENNEKING et al. 2004, p. 6; RICHTER 2004, p. 5).

Several studies to determine the target groups of the organic market have been accomplished. Differences in details and the naming of the groups occur while the basic conclusions are similar.SCHULTZ et al. (2003 p.10-18) determined the following five main target groups on the organic market.

- **"Holistic convinced"**
- **"Arrivistic sophisticated"**
- **"50+ health oriented"**
- **"Reserved sceptical"**
- **"Young undetermined"**

The **holistic convinced** interviewees represent the majority. 2/3 of them are women between 40- 60 years of age. They work part time, a lot of couples with double income. The group is also described as **Empty nesters** (older people, whose children have left the parents house). Self-employed, officers with a middle or higher school education and an average till high income are mostly represented.The responsibility for environment, sympathy for the creatures and equity are important for this target group. Sustainability and conscience being able to make a difference while buying organic is a motive for this group. People have a higher than average social and political dedication. They’re holistic convinced that organic food is better and have strong responsibility to their own health.

80% of the **arrivistic sophisticated** are mostly women age 30 – 50. Most of the women are young mothers who aren’t working or work in part time. The education level is at a high standard. Most of them are living in cities. Children are seen as the motive to think about alimentation. Also food scandals and intensive stock-rearing were reasons to increase the arguments for buying organic products. A high standard for alimentation which is connected to a status symbol characterises this consumer group. According to the survey organic labels and marks are seen as reliable points in making the choice of organic.

Women outweigh the group of the **50+ health oriented**. More than half of them are over 60 and are retired. Average education and a small to middle income are mostly represented. Quite half of them live in villages and small towns. They’re regarded to their long year shopping behaviour which is rather moderate. But illness, life crises or weaker body defences motivate them to a new orientation. The care about their health and suppose that food should maintain their health. The 50+ health oriented consume fresh and local products and regular serve fresh prepared meals. Because of their shopping habits they prefer to buy in small stores with a clear bargain, on markets, health food shops, fruits or vegetable stores.

In the group of the **reserved sceptical** are men of all ages. Characteristic are no children, Singles and Dinks (double income no kids). They mostly work in full time jobs with an average income. Average and high graduates are represented in this group. The reserved sceptical are characterized to be trend oriented and technology fascinated. Health is being seen as functional to be continued not to be very conscious about alimentation. Important about food is that it is available, origin and season is not as important. High quality foods are known but bought rather spontaneous. Organic is seen as a trend, important reasons for organic food are easy preparation and a similar handling like conventional foods. They expect a wide product line of meat, convenience foods and frozen foods. For their shopping they prefer mostly discounter and supermarkets.

The **young undetermined** are the group of men and women who are under 30 years old. Singles, couples, young parents with small and middle incomes are represented. Fun and variety in life are important aspects in their life. They aren’t willing to pay more for their food. They shop spontaneous for their foods and cook irregular with less time input (mostly convenience food). Organic products are bought spontaneous there is also a lack of belief and doubt in organic produced products. An important barrier is the price. Supermarkets and discounts are chosen for food shopping.

For the marketing of organic products the most relevant target groups are the holistic convinced, the 50+ health oriented and the arrivistic sophisticated. Three main conclusions of the organic consumers market are described. The adaptation of the organic market to the normal food market, more and more consumers belong to the older consumers group and the organic shopping behaviour of children and teenagers is not yet analysed.

6.3 Preferences for shopping facilities

During the last years shopping opportunities for organic products have increased. Today organic food is not only in small specialised organic retail-shops available, but organic products are also sold in big shopping centres, on weekly markets, or we can order the products through special delivery systems.

SCHÄFER et al. (2001) studied different shopping facilities of organic products in Berlin and figured out consumers’ behaviour and motivations concerning these shopping facilities. They found out that consumers, who mainly buy their products on **weekly organic markets**, attach importance to the freshness of the sold products. Moreover, they like the good ambience of the markets and consider shopping as a social event, where they can meet with friends and neighbours. Consumers of weekly organic market most emphasised on locally produced products and appreciated to get information about the production process from the farmers.

In 1995 the first **buying syndicates** (in German: Einkaufsgemeinschaften) were created in Berlin. In return to a membership-fee the member of such syndicates get the organic products to nearly the purchase price. Therefore the most important argument for joining a buying syndicate is the cheaper prices consumers have to pay for organic products.

Consumers of **organic shopping centres** like the big offer of organic products, which allows them to chose between different brands and labels. However the majority (83%) of the consumers declared to visit not exclusively organic shopping centres, but also other shopping facilities, which sell organic products. In the shopping centres they mainly buy longer storable dry products, which are offered there for good prices.

The shopping facility with the lowest customer loyalty are the **"organic corners"** (Biocorner) **of conventional shopping centres**. Asked consumer identified the advantage of "organic corners" to not have only access to organic products but also have the chance to profit from the "conventional" offer (one-stop-advantage).

6.3 Cooking attitudes/ diet- consciousness

The consumption of organic food is not only an isolated act of purchase, but includes the whole way of organizing the diet of an individual or a family. For this reason ENNEKING et al. (2004, p. 40) analysed peoples attitudes concerning diet and cooking habits in Germany.

An investigation about the importance of cooking showed that in West-Germany 63.3% of the households cook everyday, while in East-Germany most of the households use their cookers 3 – 4 times per week (see Table 1). While family and senior households cook nearly everyday, single households only prepare warm food 1 -2 times per week.

Table 1: Percentages of cooking frequencies in Germany (ENNEKING et al. 2004, p. 40)

Cooking frequency	West	East	Total
Everyday	63.3	41.1	58.8
5-6 times per week	10.8	9.7	10.5
3-4 times per week	16.9	28.6	19.3
1-2 times per week	7.3	19.3	9.8
Less than 1-2 times per week	1.7	1.3	1.6

An indicator for the importance of cooking is also the time, which is daily used for cooking. A trend for more time-consuming cooking at the weekend was observed, while people invest less time during the week for cooking (ENNEKING et al. 2004, p. 41) (see Table 2).

Table 2: Time used for cooking (means and standard deviation in minutes) (ENNEKING et al 2004, p. 41)

Ø cooking time	West	East	Total	Standard deviation
At weekdays	56.41	50.97	55.3	29.48
At weekends	74.69	83.16	76.57	39.66

Additionaly, ENNEKING et al. (2004, p. 42) also elaborated through interviews with standardized questionnaires factors, which influence the consumption habits of food in general. These factors are as following:

- **Figure and health consciousness**
- **Tradition and origin**
- **Enjoyment and fun at cooking**
- **Brands- and price consciousness**
- **Want for security and reduction of risks**
- **Technical food**
- **Organic and social aspects**

The organic food offer and therefore also standards and regulations for organic food has to take these findings into account in order to meet needs.

6.4 Knowledge of labels and brands

Brand awareness of organic labels is an important information and requirement for a successful marketing. According to ENNEKING et al.(2004, p.57-58) the knowledge of organic labels is at a relatively low level.

A survey which based on supported and unsupported questions determined the brand awareness of organic labels under the German consumers. 9.3 % of the interviewees answered with “Bioland” in an unsupported survey if organic labels are known. 7.2% mentioned “Demeter”, 4.7% “BioWertkost”, 3.1% “Alnatura”, 1.4% “Füllhorn” and 1.0% for each “Grünes Land” and “Naturkind”. The interviewed person stated Bioland and Demeter which are both brands of the private farmers association. The others are distributors' own brands. Meanwhile the differences to an supported survey determined by ISOE (2003) are quite high. 87% mentioned Bioland, 45% Demeter, 44% BioWertkost (31% Alnatura, 39% Füllhorn and 43% Naturkind). ENNEKING et al. cause the differences of the supported and unsupported survey that the brands are wide distributed and on the market for a long time but they're not communicated very well because they were not recalled.

Following the survey, despite the presence of products and brands of organic labels there is no image for a wide consumer range. Without a brand awareness of 20-30% (unsupported) under the consumers all efforts for a brand image are hard to realise.

7 Conclusion

There exists a very diverse and colourful certification system in Germany. On the one hand we have public standards and on the other hand there exist many private farmers association, who use their own standards. Certification bodies often must hold multiple accreditations to meet the needs of all their clients, and the costs are passed on to the producers. The question therefore emerges, which standards are really helpful and necessary? With a harmonization of standards overlapping work, unnecessary bureaucracy and costs can be avoided. Therefore it could be an interesting tool for from the point of the view of the producers.

However, there is a need to also consider harmonization of standards from the point of view of the consumers. Just recently analysis about consumers' motives and barriers to buy of organic products were conducted. Organic food is considered to be healthy, produced in an environmentally sound way (including animal welfare) and to taste better, but it is also expensive, often has a bad appearance and is not always available. Moreover, first findings concerning the organic consumer segments are that there exist consumers in different age and social groups, which have an outstanding income and education levels. But little research has been done to comprehend consumers' knowledge of different organic labels and their standards. First studies have shown that despite of numerous national and private organic labels most consumers know and trust only few ones.

Nevertheless, there is a potential to use the diverse standard system (especially the private standards) for marketing purposes, i.e. consumers associate animal welfare with a particular label. But we have to be aware that the development of consumer recognition and credibility for organic labels needs a lot of time, a suitable market and political environment and often a lot of budgetary fund. And if we want to use standards and the different connected values as marketing-tools, we first have to understand consumer decision-making process better.

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